



HARFORD COUNTY, MARYLAND

Office of the County Auditor

FISCAL IMPACT NOTE

Bill Number 12-24
Harford County Budget for Fiscal Year 2013

May 2012

Prepared by the Office of the County Auditor
Harford County, Maryland
Inquires may be directed to (410-638-3161)



Summary of Legislation

THE ANNUAL BUDGET AND APPROPRIATION ORDINANCE OF HARFORD COUNTY, MARYLAND, to adopt the County Budget, consisting of the Current Expense Budget for the fiscal year ending June 30, 2013, the Capital Budget for the fiscal year ending June 30, 2013, the Special Purpose Budgets for the fiscal year ending June 30, 2013, and the Grants Budget for the fiscal year ending June 30, 2013; and to appropriate funds for all expenditures for the fiscal year beginning July 1, 2012, and ending June 30, 2013, as hereinafter indicated.

Fiscal Impact Summary

This bill impacts all Harford County departments and organizations that receive funding from the County.

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Revenues	\$ 575,518,376	\$ 564,822,667	\$ 574,821,009	\$ 9,998,342	1.8%
Expenditures/ Appropriations	558,188,159	608,790,132	618,303,679	12,888,209	2.1%
FY12 27th Pay Adjust.		(3,374,662)			
Appropriated from Fund Balance	\$ -	\$ 43,967,465	\$ 43,482,670	\$ (484,795)	-1.1%
Total Change in Fund Balance	\$ 17,330,217	\$ -	\$ -		
Personnel	1582.95	1583.9	1595.1	11.20	0.7%

Fiscal Analysis

The proposed budget for fiscal year 2013 indicates that revenues and expenses will be slightly higher than the prior year. The fiscal year 2012 budget included an additional \$3,374,662 related to a 27th pay period during the year. Throughout this analysis, comparisons to the prior year will include an adjustment to eliminate that additional expense.

We reviewed each department's proposed budget and noted that the departments in the table below have requested significantly different appropriations (more than 5% variance) from the prior year.

Department	FY2012 less 27th pay	FY2013 Appropriation	% Change from FY2012	% of Total Budget
Humane Society	\$ 450,000	\$ 550,000	22.2%	0.1%
Elections	1,682,080	1,942,172	15.5%	0.4%
Economic Development	2,197,147	2,484,704	13.1%	0.5%
County Council	2,496,294	2,763,743	10.7%	0.5%
Law	1,824,713	1,958,165	7.3%	0.4%
Information & Communication Technology	3,853,688	4,122,488	7.0%	0.8%
Planning and Zoning	8,321,576	4,013,969	-51.8%	0.7%

Reasons for the changes vary by department, but appear reasonable. Elections costs are projected higher than the prior year because of the 2012 presidential election. Economic Development, County Council and Law have made significant personnel changes. Information and Communication Technology has budgeted for a constituent management system at a cost of \$218,000. Planning and Zoning's budget includes Agricultural Preservation which has no purchases planned for FY2013, \$4 million less than the prior year. Detailed analysis of each department follows in this report. Where appropriate, recommendations for further evaluation have been noted in the departmental summaries. Data used in the analysis was provided by the Office of Budget and Management Research and various Department Heads.

Capital projects are included within the budget analysis of the department responsible for leading each project. Prioritization of capital projects should be recommended by subject matter experts and approved by those in leadership. As a result, budget analysis of the capital projects is limited to general descriptions, current and prior appropriations and background information. The overall appropriateness of the Capital Improvement Program, including projected future funding, has not been assessed.

SUMMARY OF RECOMMENDATIONS

- The County should consider whether efficiencies may be gained from combining the resources of the various facilities maintenance groups. (See pages 7, 28 and 48)
- The County should consider whether efficiencies may be gained from combining the resources of the various Engineering and Capital Project Management groups. (See pages 7, 28 and 48)
- In the FY2013 Audit Plan, the County Auditor should consider performing an Analysis of Efficiencies and Best Practices for departments with similar roles. (See pages 7, 28 and 48)
- The County Auditor should consider an evaluation of Fleet Utilization as part of the FY2013 audit plan. (See page 9)
- The County should perform an analysis of employees eligible for retirement and related payouts to determine the County's potential exposure beyond the budgeted amount. (See page 14)
- The County Auditor should consider, in coordination with the Financial Statement and Single Audits, an evaluation of the grant supervision process. (See page 15)

- The County should assess and clarify its process for budgeting software and hardware related costs to present a better definition of the costs required to operate the various departments. (See page 19)
- The Administration should involve the County Auditor when determining the scope of the planned technology controls assessment to prevent duplication of effort. (See page 19)
- The Sheriff should perform a cost benefit analysis of the costs related to creating new positions and/or paying overtime to current employees. (See page 21)
- The County should consider whether the current fees charged for licenses, inspections, permits and related services remain appropriate to meet the County's goals. (See page 26)
- The County should consider how much salt, sand and deicer inventory remains from the prior year, in order to reduce projected spending in FY2013. (See page 28)
- As the County undertakes its Facilities Master Plan Study, it should consider the feasibility of housing the State's Attorney's Office entirely in the Courthouse or one nearby office. (See page 38)
- The Board of Education, Harford Community College and Harford County Public Library should ensure that they have contingency plans in place to address revenues that are higher or lower than projected. (See pages 40, 43 and 46)
- The Office of Economic Development should consider developing models that will help quantify its planned initiatives, actual efforts and, if possible, results of those efforts. (See page 51)

See departmental summaries for more detail.

Additional Information

Previous Introductions: None

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: Final Summary – May 2, 2012 (based on bill as of April 3, 2012)

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OFFICE OF THE COUNTY EXECUTIVE

Operating Budget Data

Fund: General	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Office of the County Executive	\$ 815,948	\$ 906,526	\$ 892,098	\$ (14,428)	-1.6%
Office of the Chief of Staff	392,182	445,226	427,231	(17,995)	-4.0%
Division of Agricultural Affairs	399,178	457,544	373,062	(84,482)	-18.5%
Constituent Services	243,690	272,430	377,598	105,168	38.6%
	FY12 27th Pay Adjust.	(36,755)			
Total	\$ 1,850,998	\$ 2,044,971	\$ 2,069,989	\$ 25,018	1.2%
Personnel	12	11	11	-	0.0%

Budget Proposal Analysis

The County Executive is the elected head of the Executive branch of the Harford County Government. He is responsible for seeing that the affairs of the Executive Branch are properly and efficiently administered. The County Executive recommends legislation to the County Council that he has deemed to be in the best interests of the County. The County Executive is supported in those roles by the Director of Administration and a Chief of Staff.

There are no significant changes in the County Executive's office budget. The office plans to reorganize slightly in the upcoming year to reclassify one position as Deputy Chief of Staff. This change, which represents a \$34,358 increase in Salaries and Benefits, has been partially offset by savings in other expense categories.

Additional Information

Data Sources: Office of Budget and Management Research, Aaron Tomarchio (Chief of Staff)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 24, 2012

DEPARTMENT OF ADMINISTRATION

Operating Budget Data

Fund: General	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Office of the Director	\$ 421,445	\$ 441,599	\$ 420,405	\$ (21,194)	-4.8%
Sustainability Office	0	275,709	257,708	(18,001)	-6.5%
Facilities and Operations	4,502,492	3,853,541	3,760,510	(93,031)	-2.4%
Central Services	557,855	618,452	594,166	(24,286)	-3.9%
Risk Management	737,945	1,510,323	1,479,112	(31,211)	-2.1%
Budget and Management Research	599,589	612,732	669,378	56,646	9.2%
	FY12 27th Pay Adjust.	(143,546)			
Total	\$6,819,326	\$ 7,168,810	\$ 7,181,279	\$ 12,469	0.2%
Personnel	90.25	63.25	63.75	0.5	0.8%

Budget Proposal Analysis

The Department of Administration provides support services to all County government departments and agencies. Included under Administration are the division of the Director of Administration, Facilities and Operations, Central Services, Budget and Management Research, Sustainability Office and Risk Management. Each division's supervisor reports to the Director of Administration.

Office of the Director –The Director's budget includes only salaries for the Director and an Administrative Secretary. Other costs budgeted include the County's dues for Maryland Association of Counties and the National Association of Counties. The Director also has funds budgeted to pay impact fees for non-profit home construction.

Budget and Research Management – The office is responsible for preparing and monitoring the annual operating and capital budgets. To increase budget coordination related to grants, a Grants Administrator position has been moved from Community Services to Budget and Management Research.

Sustainability Office – The Sustainability Office is responsible for directing initiatives to improve the environmental and operational efficiency and effectiveness of the County. All 3 positions within the Office have been reclassified for FY2013. The net effect is a reduction of \$10,068.

Facilities and Operations – The department is responsible for maintenance of all of the County's General Fund facilities including some libraries and community centers. Facilities related to Parks

and Recreation and Public Works are maintained by other departments. The budget process does not provide enough information to determine whether those groups have overlapping or complementary responsibilities, personnel and/or equipment. Significant budget changes are related to converting a full-time position to part-time and estimated adjustments in pension requirements.

Central Services – As part of Facilities and Operations, Central Services is responsible for bulk mailings for the County and handling inter-office correspondence. A large amount of the budget has been allocated to “General Office Mailing”. This cost is also included in individual department budgets because costs are charged to user departments by Central Services. Revenue projections include an appropriate adjustment for this Intra-governmental Revenue.

Risk Management – Safety and security of County employees, facilities and equipment are the responsibility of Risk Management. Functions of the office include building security, inventory control, insurance management and occupational safety programs. The office also works in conjunction with the Law Department to ensure that insurance claims are handled appropriately. The Risk Management budget increases are related to personnel changes. One position was reclassified into a supervisory role. Nine (9) other positions have been upgraded within their classification series. Additionally, a temporary position was created to provide security at the Aberdeen Community Services Center.

Recommended Actions

- The Administration should consider whether efficiencies may be gained from combining the resources of the various facilities maintenance groups.
- In the FY2013 Audit Plan, the County Auditor should consider performing an Analysis of Efficiencies and Best Practices for departments with similar roles.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Countywide Facilities Master Plan Study					
Fund: General	New	\$ 1,250,000	\$ 3,000,000	\$ -	0.0%
Efficiency Capital Investment Projects					
Fund: General	New	\$ 75,000	\$ 1,600,000	\$ -	0.0%
Fund: Highways	New	100,000	100,000	-	0.0%
Fuel Dispensing System Upgrade					
Fund: General	A064104	100,000	1,505,000	755,000	50.2%
Fund: Highways	H064508	250,000	450,000	200,000	44.4%
Facilities Repair Program					
Fund: Highways	H034506	250,000	1,482,000	832,000	56.1%
Total		\$ 2,025,000	\$ 8,137,000	\$ 1,787,000	22.0%

Capital Budget Proposal Analysis

For the countywide facilities master plan, the director of Administration is working on developing a request for proposal to procure this study. The study will develop recommendations for how to best utilize county facilities and the facilities of related agencies. Currently, the County does not have a solid understanding of its facility needs. The study is expected to last 12-18 months.

There are two projects within the Capital budget that are related to the activities of the Sustainability Office. They are intended to increase efficiencies within County facilities. In the first year of operations, the Sustainability Office has worked to create benchmarks for the energy use. The Office expects to be able to quantify its improvements next year. The Fuel Dispensing System Upgrade is being done in conjunction with the Department of Procurement.

Additional Information

Data Sources: Mary Chance (Director of Administration), Kim Spence (Chief, Office of Budget and Management Research), Tim Meyers (Chief, Facilities and Operations), Erin Ferriter (Sustainability Coordinator), Rocky Gonzalez (Risk Manager)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

PROCUREMENT

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Procurement Operations	\$ 842,903	\$ 900,380	\$ 746,937	\$ (153,443)	-17.0%
Property Management	2,812,376	3,027,280	3,224,331	197,051	6.5%
Fund: Highways					
Fleet Operations	6,158,959	6,998,026	7,146,720	148,694	2.1%
FY12 27th Pay Adjust.		(43,013)			
Total	\$ 9,814,238	\$10,882,673	\$11,117,988	\$ 235,315	2.2%
Personnel	19	18	17	(1.00)	-5.6%

Operating Budget Proposal Analysis

The Department of Procurement is responsible for obtaining goods and services for the County, acquiring and managing County-owned properties and management of all County vehicles.

Within Procurement Operations, the budget has decreased significantly because the Deputy Director position has been abolished.

Property Management manages rented properties and absorbs the rental and utility expenses for departments that are not located in County-owned buildings. Those expenses are projected higher than the prior year; \$50,000 of the increase represents planned costs to make renovations and repairs to move employees back into the 212 South Bond Street building.

The County has two employees who work within Fleet Operations; they are responsible for coordinating with First Vehicle Services, a contractor who performs the fleet management and maintenance activities. The budget in this area has increased for specialty vehicle rentals. While some departments continue to have vehicles assigned to them, the management of fleet has been centralized within Procurement.

Recommended Actions

- The County Auditor should consider an evaluation of Fleet Utilization as part of the FY2013 audit plan.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fleet Replacement					
Fund: General	A124102	\$ 1,340,000	\$ 11,490,000	\$ 1,300,000	11.3%
Fund: Highways	H124507	1,032,000	8,792,000	995,000	11.3%
Fund: Water and Sewer	O126727	430,000	3,030,000	370,000	12.2%
Bel Air Parking Garage					
Fund: General	None	\$ 645,000	\$ 698,081	\$ -	0.0%
Total		\$ 3,447,000	\$ 24,010,081	\$ 2,665,000	11.1%

Capital Budget Proposal Analysis

The capital budget includes allocations, as summarized above that are related to the Department of Procurement. Fleet replacement estimates are based on replacing vehicles with more than 85,000 miles that also have maintenance costs that are more than 80% of the purchase price.

The County currently has:

- 311 pieces of heavy equipment purchased for \$9,257,709

- 651 vehicles purchased for \$27,002,535
- 16 vehicles rented (for Winter, FY2012) for \$373,095
- 379 Sheriff's vehicles purchased for \$8,214,518
- 21 Sheriff's vehicles leased for \$265,949

Additional Information

Data Sources: Office of Budget and Management Research, Risk Management, Deborah Henderson (Director, Procurement)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

TREASURY

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Office of the Treasurer	\$ 586,912	\$ 669,688	\$ 617,684	\$ (52,004)	-7.8%
Bureau of Accounting	2,318,932	2,150,051	2,026,073	(123,978)	-5.8%
Bureau of Revenue Accounting	799,062	822,988	905,652	82,664	10.0%
Solid Waste Accounting	105,637	104,944	99,015	(5,929)	-5.6%
Fund: Water & Sewer					
Water and Sewer Accounting	770,359	858,410	792,629	(65,781)	-7.7%
FY12 27th Pay Adjust.		(118,406)			
Total	\$ 4,580,902	\$ 4,487,675	\$ 4,441,053	\$ (46,622)	-1.0%
Personnel	48.6	47.6	47.6	-	0.0%

Budget Proposal Analysis

The Treasurer's Office is responsible for general accounting and collection of revenues for the County. In calendar year 2011, the Treasurer's Office collected approximately \$158 million in checks and \$3.6 million in cash. The Treasurer also prepares the County's financial statements and coordinates activities related to investments and debt management. The proposed budget is slightly less than the prior year because of personnel changes. Three positions are unfunded. Two positions were filled at a lower classification than was budgeted in the prior year.

Additional Information

Data Sources: Office of Budget and Management Research, Kathryn Hewitt (Treasurer)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 24, 2012

LAW DEPARTMENT

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General	\$ 1,681,756	\$ 1,882,790	\$ 1,958,165	\$ 75,375	4.0%
FY12 27th Pay Adjust.		(58,077)			
Total	\$ 1,681,756	\$ 1,824,713	\$ 1,958,165	\$ 133,452	7.3%
Personnel	14.8	14.8	15.8	1.00	6.8%

Budget Proposal Analysis

The Law Department is responsible for providing legal guidance and representation for Executive Branch County Agencies. The County Attorney also advises outside agencies as directed by the County Executive. Changes in the budget over the prior year are primarily related to personnel changes. The Law Department abolished one position, but absorbed an Attorney and Legislative drafter from the County Council Office.

Additional Information

Data Sources: Office of Budget and Management Research
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 24, 2012

PLANNING AND ZONING

Operating Budget Data						
	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change	
Fund: General						
Director	\$ 492,011	\$ 500,160	\$ 471,066	\$ (29,094)	-5.8%	
Comprehensive Planning	1,545,343	1,493,103	1,407,323	(85,780)	-5.7%	
Current Planning	1,756,957	1,794,527	1,646,490	(148,037)	-8.2%	
Fund: Ag. Preservation - County	118,225	4,530,913	479,090	(4,051,823)	-89.4%	
Fund: Ag Preservation - State	70,864	117,000	100,000	(17,000)	-14.5%	
FY12 27th Pay Adjust.		(114,127)				
Total	\$ 3,983,400	\$ 8,321,576	\$ 4,103,969	\$(4,217,607)	-50.7%	
Personnel	44	43	43	-	0.0%	

Budget Proposal Analysis

The Department of Planning and Zoning (P&Z) is responsible for preparation, recommendation, and enforcement of plans and regulations affecting the physical development and growth of Harford County. In addition to development of the Master Plan and reviewing zoning requests, the department also administers the State-funded and County-funded Agricultural Preservation programs.

Agricultural Preservation appropriations can vary drastically from year to year depending on the amount of property rights the County intends to acquire during the year. The program is funded by a portion of the transfer tax and funds are maintained in a restricted fund until needed. In FY2012, 9 purchases were approved by the County Council. A much smaller appropriation has been requested in the FY2013 budget. If the Administration later determines that more purchases should be made, funding would be available in the restricted fund to support a supplemental appropriation.

Other changes in the P&Z budget are related to an FY2012 equipment request for \$20,000 and general changes in retirement estimates.

Additional Information

Data Sources: Office of Budget and Management Research, Pete Gutwald (Director, Planning and Zoning)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

HUMAN RESOURCES

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Human Resources	\$ 820,216	\$ 820,632	\$ 791,139	\$ (29,493)	-3.6%
Personnel Matters	379,287	557,522	557,522	-	0.0%
Fund: Highways					
Personnel Matters	42,110	283,199	283,199	-	0.0%
Fund: Water & Sewer					
Personnel Matters	68,961	204,660	199,906	(4,754)	-2.3%
FY12 27th Pay Adjust.		(24,888)			
Total	\$ 1,310,574	\$ 1,841,125	\$ 1,831,766	\$ (9,359)	-0.5%
Personnel	8	8	9	1.00	12.5%

Budget Proposal Analysis

The department is responsible for the administrative functions related to recruiting and retaining employees for County departments. Human Resources is also responsible for benefits administration and personnel related compliance matters. The Department of Human Resources has reduced its projected budget despite an additional position being filled. The new position is a clerk that was transferred from the Law Department.

The Department of Human Resources, additionally, manages the Special Pays accounts, which fund employee related costs that are not directly attributable to, or included in, each department's budget. Examples of Special Pays are employee bonuses, service awards, retirement leave pay outs, tuition reimbursements, training costs and wellness programs. The Special Pays budget has remained stable and in the past, the actual use was less than the budgeted amount. However, the budgeted amount for retirement payouts is an estimate. Management has indicated that if all eligible employees retired, the amount to be paid would be much higher.

Recommended Actions

- The County should perform an analysis of employees eligible for retirement and related payouts to determine the County's potential exposure beyond the budgeted amount.
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Additional Information

Data Sources: Kim Spence (Chief, Office of Budget and Management Research), Scott Gibson (Director, Human Resources)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

COMMUNITY SERVICES

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Director of Community Services	\$ 570,394	\$ 593,896	\$ 611,873	\$ 17,977	3.0%
Office of Drug Control Policy	957,513	902,315	876,675	(25,640)	-2.8%
Community Development	1,608,199	1,490,004	1,478,119	(11,885)	-0.8%
Emergency Assistance	172,610	164,122	158,791	(5,331)	-3.2%
Office on Aging	1,353,531	1,572,857	1,578,433	5,576	0.4%
Harford Transit	1,714,914	2,441,633	2,285,253	(156,380)	-6.4%
FY12 27th Pay Adjust.		(115,372)			
Total	\$ 6,377,161	\$ 7,049,455	\$ 6,989,144	\$ (60,311)	-0.9%
Personnel	33.6	36	38	2.00	5.6%

Budget Proposal Analysis

The Department of Community Services' mission is to provide a network of human services that is efficient, effective and responsive to the needs of Harford County citizens. Offices within the department include Drug Control Policy, Community Development, Emergency Assistance, Aging and Harford Transit.

The office provides a significant amount of grants to organizations that provide services to the community and receives grants from other government agencies (State and Federal) to assist with those programs.

Community Services anticipates receiving grants in the amount of \$5,970,739 which will require a County match of \$1,579,460. The budget includes requests to provide an additional \$1,117,622 of aid to various community services agencies. Organizations receiving grants through Community Services submit quarterly narratives that are reviewed by the Community Services staff. Much of

the funding is subject to audit for Federal reporting purposes and the external auditor has evaluated the related controls.

Recommended Actions

- The County Auditor should consider, in coordination with the Financial Statement and Single Audits, an evaluation of the grant supervision process.

Additional Information

Data Sources: Office of Budget and Management Research, Elizabeth Hendrix (Director, Community Services)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

HANDICAPPED CARE CENTERS

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Harford Center	\$ 553,036	\$ 553,036	\$ 553,036	\$ -	0.0%
The ARC Northern Chesapeake	1,745,694	1,745,694	1,745,694	-	0.0%
Total	\$ 2,298,730	\$ 2,298,730	\$ 2,298,730	\$ -	0.0%

Budget Proposal Analysis

Harford County funds services for handicapped adult care through the Harford Center and the ARC of Northern Chesapeake Region. The Harford Center specializes in providing adult day programs to help develop vocational skills for its clients. The ARC also develops vocational skills, but additionally provides funding for residential community living arrangements, family support services, foster care, adoption, jobs and transportation, as appropriate. The proposed funding for both organizations remains unchanged from the prior year.

Additional Information

Data Sources: Office of Budget and Management Research, Rose Lane (Director, Harford Center)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 24, 2012

HEALTH DEPARTMENT

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Health Department	\$ 3,238,017	\$ 3,376,910	\$ 3,375,898	\$ (1,012)	0.0%
Community Health Services	119,533	119,533	119,533	-	0.0%
Addiction Services	532,887	532,887	532,887	-	0.0%
FY12 27th Pay Adjust.		(1,012)			
Total	\$ 3,890,437	\$ 4,028,318	\$ 4,028,318	\$ -	0.0%

Budget Proposal Analysis

The County Health Department provides services on behalf of the State Department of Health and Mental Hygiene. The Health Officer is an employee of Harford County, but other 152 department employees are State of Maryland employees. The County reimburses the State for those employees' salaries.

The budget also includes appropriations for a Teen Diversion Program for disturbed youth (\$119,533) and Alcoholism and Drug Abuse services for substance abusing individuals and their families (\$532,887). The amounts are the same as the prior year.

Additional Information

Data Sources: Office of Budget and Management Research
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 25, 2012

HOUSING AGENCY

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General	\$ 585,581	\$ 498,977	\$ 460,065	\$ (38,912)	-7.8%
FY12 27th Pay Adjust.		(15,681)			
Total	\$ 585,581	\$ 483,296	\$ 460,065	\$ (23,231)	-4.8%
Personnel	7	6	6	-	0.0%

Budget Proposal Analysis

The Harford County Housing Agency accepts and administers Federal, State and Local housing funding to assist residents with housing issues. The largest function of the office is administering payments to landlords on behalf of clients that utilize agency programs. The office also provides homebuyer counseling and enforcement of the County's livability code.

The Housing Agency anticipates receiving \$7,047,296 in grant funding, primarily from the Federal government. There is no County match required for those grant funds; however, the budget does include a \$55,500 request for grant funding. The \$50,000 of that amount is used for a MacArthur grant with the State of Maryland.

There have not been any significant changes in the budget other than personnel related changes.

Additional Information

Data Sources: Office of Budget and Management Research, Shawn Kingston (Director, Housing Agency)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Operating Budget Data					
	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General	\$ 3,921,422	\$ 3,927,717	\$ 4,122,488	\$ 194,771	5.0%
FY12 27th Pay Adjust.		(74,029)			
Total	\$ 3,921,422	\$ 3,853,688	\$ 4,122,488	\$ 268,800	7.0%
Personnel	26	26	27	1.00	3.8%

Operating Budget Proposal Analysis

For fiscal year 2011, the Administration departments responsible for information systems administration, computer support and management information systems were combined to form the Office of Information and Communication Technology (ICT). For fiscal year 2012, ICT was moved out of the Department of Administration to become its own office. ICT supports most County departments by managing network, telephone and email connectivity. ICT also provides hardware and software support to those departments.

Within the ICT budget, personnel costs are significant; the office has added one position for the upcoming year. After personnel costs, the largest line items in the budget are hardware and software costs. Systems impacting the entire county are generally included in the ICT budget, while department specific costs are budgeted by the responsible departments. This is a general rule, however, and some systems may be included in the ICT budget that should be budgeted elsewhere. As an example, BataData software is used to track facility use and revenue for the Emmorton Recreation Center, so its costs (and budget) should be allocated to the Parks and Recreation Fund. While, ultimately, this cost is small and will have to be paid by the County regardless of its location in the budget, there may be other costs that are being absorbed by ICT on behalf of other funds or departments.

The largest change in the ICT budget for FY2013 is in the category of Data Processing Software. A one-time cost of \$200,000 plus ongoing maintenance fees have been requested to implement a constituent management system. The software will be used by both the Administration and County Council.

Recommended Actions

- The County should assess and clarify its process for budgeting software and hardware related costs to present a better definition of the costs required to operate the various departments.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
GIS Update					
Fund: General	New	\$ 250,000	\$ 500,000	\$ -	0.0%
Harford County Metro Area Network					
Fund: General	A124131	2,600,000	11,900,000	8,000,000	67.2%
Fund: Highways	New	680,000	1,005,000	-	0.0%
Fund: Water and Sewer	New	720,000	1,095,000	-	0.0%
Refresh Program					
Fund: General	A124103	585,000	2,922,500	1,200,000	41.1%
Fund: Highways	New	153,000	450,500	-	0.0%
Fund: Water and Sewer	New	162,000	477,000	-	0.0%
Safeguarding Business Operations					
Fund: General	A114104	-	16,002,750	7,150,400	44.7%
Fund: Highways	H114507	1,831,200	2,421,200	-	0.0%
Total		\$ 6,981,200	\$ 36,773,950	\$ 16,350,400	44.5%

Capital Budget Proposal Analysis

Geographical Information System (GIS) Updates are planned to improve the County's GIS system. GIS data is used by Harford County and many other government agencies to keep track of property ownership, zoning boundaries, facilities, natural resources, location and engineering details of roads and bridges, etc.

The Harford County Metro Area Network (HMAN) has been an ongoing project for the County that will expand internet access throughout the county and provide increased bandwidth for both the County government and private entities. Adding bandwidth literally creates more space for data to travel. This project is akin to a widening and lengthening a highway so that more travelers can get to their destinations faster.

The Refresh Program is intended to replace aging technology components, as needed. ICT creates and manages a replacement schedule.

Safeguarding Business Operations is a countywide project, but has a significant technology requirements and implications. Research and design/selection of an enterprise resource management program is included in this project. Other activities related to disaster recovery and business continuity will also be addressed through this project. The Acting Director of ICT has advised that the project will include an information technology audit or assessment of controls; the scope of that review has not been determined. The project was previously funded under a lease purchase in the budget. It has been moved to a paygo item to make the funds easier to use for software purchases.

In prior years, the 3 of the 4 projects planned were funded by the general fund; for FY2013, some costs will also be allocated to the Highways Fund since the project benefit the entire County budget.

Recommended Actions

- The Administration should involve the County Auditor when determining the scope of the planned technology controls assessment to prevent duplication of effort.

Additional Information

Data Sources: Office of Budget and Management Research, Ted Pibil (Acting Director, Information and Communication Technology)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

SHERIFF'S OFFICE

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Administration and Support	\$ 7,198,034	\$ 7,688,386	\$ 7,164,865	\$ (523,521)	-6.8%
Patrol Operations	24,713,989	24,721,528	24,300,071	(421,457)	-1.7%
Investigative Services	7,213,287	7,921,077	7,928,206	7,129	0.1%
Correctional Services	19,360,053	20,959,456	20,860,300	(99,156)	-0.5%
Commisary Account	385,681	730,094	731,261	1,167	0.2%
Court Services	4,929,385	5,350,055	5,149,043	(201,012)	-3.8%
FY12 27th Pay Adjust.		(1,706,944)			
Total	\$63,800,429	\$65,663,652	\$66,133,746	\$ 470,094	0.7%
Personnel	514.1	513.55	515.25	1.70	0.3%

Budget Proposal Analysis

The Sheriff's Office is dedicated to the protection of life and property, arrest and confinement of offenders, court security and service of process, and preservation of the public peace. The Office is led by the Sheriff who is elected in accordance with the State's Constitution. There are 5 divisions

within the Office: Administrative Services, Patrol Services, Patrol Operations, Investigative Services, Correctional Services and Court Services. While the Sheriff is a State Official, the Sheriff's Office is funded by the County's General Fund.

The budget has increased by only 0.7%; however, that increase is more than \$450,000. The largest changes are related to changes in pension estimates (-\$1,074,849) and the addition of insurance as a budget item. Insurance for auto liability, general liability and property damaged is provided by the County's self-insurance program. No funding for insurance was included in the prior years' budget, but it is an important inclusion to help clarify the actual cost of operations for the Office. The nature of the Sheriff's Office's work is inherently more risky than general government operations; the insurance cost estimates were recommended by the Treasurer's Office.

Equipment costs have declined because of a one-time request in FY2012. Electricity, Water and Sewer, and custodial services costs are projected to increase to accommodate a full year of operations for the Detention Center expansion and the new Southern Precinct building. Expected fuel costs are higher for FY2013; management has advised that any adjustments in fuel costs are based on changes in vehicle use not increased gasoline prices.

There have been numerous transfers between divisions, promotions and the creation of 1.7 positions. These changes add \$233,109 to the budget. Other personnel changes related to temporary employees, shift differentials and overtime total \$392,651 and are based on actual expense history. The Sheriff's budget request to the County Executive included an additional 12 corrections officers, 7 civilian positions and 10 law enforcement officers.

The Sheriff's Office receives grants from the Federal and State governments. In the event that the State does not complete its budget reconciliation, expected State funding will decrease local Police Aid grants by 50% and eliminate local law enforcement grants. Currently, the Sheriff's budget includes state grants of \$210,836.

Recommended Actions

- The Sheriff should perform a cost benefit analysis of the costs related to creating new positions and/or paying overtime to current employees.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Computer Equipment Networks					
Fund: General	E054106	\$ 300,000	\$ 2,116,742	\$ 1,816,742	85.8%
Total		\$ 300,000	\$ 2,116,742	\$ 1,816,742	85.8%

Capital Budget Proposal Analysis

The Sheriff's Office maintains its own information technology staff and equipment, separate from the County's Department of Information and Communication Technology. The Computer Equipment Networks project includes upgrading the Sheriff's Office's server hardware and software.

Additional Information

Data Sources: Office of Budget and Management Research, Jesse Bane (Sheriff)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 25, 2012

EMERGENCY OPERATIONS

		Operating Budget Data			Change	Percent Change
		FY2011 Actual	FY2012 Budget	FY2013 Budget		
Fund: General						
Administration	\$	887,048	\$ 980,886	\$ 1,271,299	\$ 290,413	29.6%
Emergency Medical Services			2,247,814	2,647,814	400,000	17.8%
Emergency Communications		5,471,423	5,761,073	5,628,475	(132,598)	-2.3%
Special Operations & Support Serv.		2,594,510	2,931,152	3,066,284	135,132	4.6%
Volunteer Fire Companies		8,932,060	6,809,642	6,809,642	-	0.0%
Hazmat Response Team		292,509	308,734	302,287	(6,447)	-2.1%
			FY12 27th Pay Adjust. (205,570)			
Total		\$18,177,550	\$ 18,833,731	\$ 19,725,801	\$ 892,070	4.7%
Personnel		91	90	92	2.00	2.2%

Operating Budget Proposal Analysis

Emergency Operations is responsible for receiving and disseminating all emergency requests in Harford County for fire, EMS, rescue, hazardous materials, and police incidents. The division serves as the primary Homeland Security Coordination agency for the County and manages emergency plans and ensures preparedness for incidents and recovery operations. Significant budget changes are related to EMS Foundation funding, personnel changes and increases in communications services. The County's required grant match has increased by \$121, 279.

The EMS Foundation budget was adjusted via a supplemental appropriation in FY2012 to accommodate incorrect budget projections. The additional \$400,000 is reflected in the FY2013 budget. Appropriations to the 12 fire companies have not increased.

The County's Motorola contract is expected to cost an additional \$300,000.

Two positions that were previously grant funded will be absorbed by the division's budget. One position was transferred and upgraded. When those changes are combined with expected overtime and salary adjustments, the net effect is an increase of \$166,554.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
700 MHz Wireless Radio System Equipment					
Fund: General	E094110	\$ 2,600,000	\$ 15,115,412	\$ 2,093,412	13.8%
Fund: Highways	New	1,600,000	1,600,000	-	0.0%
911 State Fee Fund					
Fund: General	E094109	100,000	1,000,000	400,000	40.0%
New Emergency Operations Complex					
Fund: General	E074110	20,000,000	41,999,525	6,289,525	15.0%
Susquehanna Hose Company House #3 Expansion					
Fund: General	E084129	500,000	810,000	60,000	7.4%
Total		\$24,800,000	\$60,524,937	\$ 8,842,937	14.6%

Capital Budget Proposal Analysis

The County has undertaken the process of upgrading wireless radio equipment to meet new FCC standards. The 911 Fee Fund is also a compliance measure. New equipment will be purchased for public safety officials. Older equipment will be refurbished and used by the Department of Public Works. FY2013, the project is planned for funding, in part, from the Highways Fund.

The Highways fund is restricted in use by the sources of its funding. For example, the property tax revenue portion of the Highways Fund must be used for the following listed activities:

“(1) Maintenance, care, repair and construction of roads and bridges outside the boundaries of the incorporated towns.

(2) All expenses of the County Department of Public Works concerning county highways.

(3) All expenses of the County and/or Sheriff's Office regarding traffic patrol and highway safety.

(4) County-related transportation expenses.” (Harford County Code § 123-16)

State Highways Users Revenue may be used to finance or pay the cost of any transportation facility, which “includes the cost of and all expenses incident to the construction, reconstruction, acquisition, improvement, extension, alteration, modernization, planning, maintenance, and repair of the facility, including the cost and expenses of:

- (1) All property acquired in connection with it;
- (2) Financial, architectural, consulting, engineering, and legal services;
- (3) Plans, specifications, surveys, estimates, feasibility reports, and direct and indirect labor, material, equipment, and administrative expenses; and
- (4) Financing the facility, including financing charges and interest before, during, and for 1 year after completion of construction.” (Maryland Transportation Article § 3-101.)

The Manager of Emergency Operations has advised that refurbishing equipment for DPW was the most cost effective method to implement the FCC requirements. Assuming that the Highways Fund costs are only used for the costs related to refurbishing and related installation costs, this appears to be an acceptable use of the Highways Fund, since equipment, indirect labor and administrative expenses are allowed.

The first phase of the Emergency Operations Complex is to build the new Emergency Operations/Dispatch Center. The project has been designed, but not yet contracted for construction.

The County has requested funding to assist the Susquehanna Hose Company with its building expansion.

Additional Information

Data Sources: Office of Budget and Management Research, Brian Feist (Manager, Emergency Operations)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 26, 2012

INSPECTIONS, LICENSES AND PERMITS

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Director of DILP	\$ 523,968	\$ 519,172	\$ 488,908	\$ (30,264)	-5.8%
Building Services	1,121,083	1,120,478	995,139	(125,339)	-11.2%
Plumbing Services	489,535	567,716	548,050	(19,666)	-3.5%
Electrical Services	597,735	596,103	565,008	(31,095)	-5.2%
Manufactured Housing/ Abandoned Property	207,530	218,858	220,067	1,209	0.6%
Animal Control	587,462	598,990	575,403	(23,587)	-3.9%
Humane Society	450,000	450,000	550,000	100,000	22.2%
	FY12 27th Pay Adjust.	(103,156)			
Total	\$ 3,977,313	\$ 3,968,161	\$ 3,942,575	\$ (25,586)	-0.6%
Personnel	40	40	40	-	0.0%

Operating Budget Proposal Analysis

The Department of Inspections, Licenses and Permits (DILP) is responsible for the administration and enforcement of all laws and regulations related to licenses, including those for plumbing, construction, electrical installations and animal control. DILP generates revenue for the County through license, permit and inspection fees. The fees are codified and have not changed since 2000. The FY2013 Spending Affordability Committee assumed that these types of revenues would be unchanged, but also noted that they are becoming more significant and recommended consideration of the impact of these fees.

The department has proposed a reduction in the DILP budget, while still providing an additional \$100,000 to the Humane Society. The costs reductions are primarily related to anticipated workforce turnover (reduction of approximately \$42,000) and changes in health and pension benefits (reduction of approximately \$100,000).

The Humane Society of Harford County is partially funded (about 50%) through DILP. The remainder of its budget is comprised of customer charges and private donations. The proposed FY2013 budget is 22% higher than the prior year. Additionally, the capital budget includes a request to fund a new facility for the organization.

Recommended Actions

- The County should consider whether the current fees charged for inspections, licenses, permits and related services remain appropriate to meet the County's goals.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Humane Society					
Fund: General	A114102	\$ 6,000,000	\$ 6,325,000	\$ 325,000	5.1%
Total		\$ 6,000,000	\$ 6,325,000	\$ 325,000	5.1%

Capital Budget Proposal Analysis

The Humane Society of Harford County has been located at its current location since 1948. The current facility consists of a few small buildings on a farm style property. Additional kennels were built in 1961 and other renovations were made in 1971. The Executive Director of the Humane Society has advised that the new facility has been designed to facilitate more adoptions and improve the cleanliness of the Shelter with more modern equipment.

Additional Information

Data Sources: Office of Budget and Management Research, Dick Lynch (Director, DILP), Mary Leavens (Executive Director, Humane Society of Harford County)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

DEPARTMENT OF PUBLIC WORKS

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Env. Serv. Admin. and Engineering	\$ 665,934	\$ 792,156	\$ 748,567	\$ (43,589)	-5.5%
Recycling	1,499,524	1,535,990	1,462,278	(73,712)	-4.8%
Post Closure	122,422	134,750	134,750	-	0.0%
Scarboro Remediation	45,188	53,700	53,700	-	0.0%
Environmental Affairs Noxious Weed	8,000	8,000	8,000	-	0.0%
Environmental Affairs Gypsy Moth	8,475	17,000	17,000	-	0.0%
Fund: Solid Waste Services					
Solid Waste Management	3,391,726	3,676,836	3,569,524	(107,312)	-2.9%
Waste to Energy	8,336,013	8,721,316	8,907,146	185,830	2.1%
Fund: Highways					
Director of Public Works	284,215	296,406	279,800	(16,606)	-5.6%
Capital Projects Management	731,235	731,151	687,849	(43,302)	-5.9%
Highways Engineering	3,277,322	2,560,413	2,574,071	13,658	0.5%
Construction Inspections	2,698,531	2,754,102	2,579,722	(174,380)	-6.3%
Water Resources	681,276	1,308,285	1,226,059	(82,226)	-6.3%
Highways Maintenance	19,709,548	19,415,732	19,905,172	489,440	2.5%
Snow Removal	1,613,664	1,466,660	1,466,660	-	0.0%
Fund: Water & Sewer					
W&S Administration	2,967,506	2,720,155	3,030,993	310,838	11.4%
W&S Depreciation	9,126,524	9,400,000	9,200,000	(200,000)	-2.1%
W&S Engineering	1,188,083	1,342,740	1,268,754	(73,986)	-5.5%
W&S Maintenance	6,112,298	6,710,087	6,564,242	(145,845)	-2.2%
Wastewater Processing	10,202,345	10,660,788	10,824,889	164,101	1.5%
Water Production	5,927,400	7,233,831	6,691,719	(542,112)	-7.5%
	FY12 27th Pay Adjust.	(1,058,329)			
Total	\$78,597,229	\$80,481,769	\$81,200,895	\$ 719,126	0.9%
Personnel	433	432.6	434.2	1.60	0.4%

DPW – OFFICE OF THE DIRECTOR

Operating Budget Proposal Analysis

The Department of Public Works, through its four divisions, is responsible for:

- Design, management and construction of capital projects (Division of Construction Management);
- Construction, maintenance and acceptance of County roads, bridges and associated structures (Division of Highways and Water Resources);

- Operation, maintenance and control of the water supply and wastewater collection and treatment (Division of Water and Sewer); and
- Management of solid waste (Division of Environmental Services).

The Director of Public Works oversees all of these functions with the coordination of the Deputy Directors in each Division. The Director's Office is funded by the Highways fund. The Highways Fund and Water and Sewer Fund each share in the County's general administration costs by returning a pro-rata share of the costs to the General fund.

There have not been any significant changes in the office's budget. There are no capital projects directly associated with the Director's Office.

Recommended Actions

The following recommendations apply to the operating budget of the entire department of Public Works, not specifically to the Director's Office.

- The County should consider whether efficiencies may be gained from combining the resources of the various Engineering and Capital Project Management groups.
- The County should consider whether efficiencies may be gained from combining the resources of the various facilities maintenance groups.
- In the FY2013 Audit Plan, the County Auditor should consider performing an Analysis of Efficiencies and Best Practices for departments with similar roles.
- The County should consider how much salt, sand and deicer inventory remains from the prior year, in order to reduce projected spending in FY2013.

DPW – CONSTRUCTION MANAGEMENT

Operating Budget Proposal Analysis

The Division of Construction management manages the design and construction of non-DPW capital projects. The Division performs inspections of other DPW divisions' projects and erosion and sediment control projects. The Division is operated using Highways funds, but its costs are allocated to other departments and divisions, when necessary, to correctly capture each project's costs. The proposed budget is slightly lower than the prior year because of pension and payroll adjustments.

Since Construction Management performs services for other departments and divisions, all capital projects are included in the analyses for the project owners.

DPW – HIGHWAYS AND WATER RESOURCES

Operating Budget Proposal Analysis

The Division of Highways and Water Resources (Highways) is responsible for highway repair, maintenance and engineering for County roads and more than 200 bridges, water resources management and storm water inspections. This division is primarily funded by the Highways Fund which receives income from inspection and review services, property taxes and Highways Users tax. Water Resources activities are funded by the General Fund.

Highways has transferred out one position and created one position. The newly created position will cost significantly less than the one that was transferred.

Costs related to Grounds Maintenance have nearly doubled to meet permitting requirements. The estimated increase is based on doubling the number of crews required. Other significant changes are related to reallocation of chemical costs and fleet costs between accounts and a reduction in electrical costs.

The Highways budget includes three intra-governmental transfers totaling \$5,242,329. The transfers related to services provided by other County departments (\$2,046,317), the Sheriff's Traffic Safety Unit (\$1,196,012) and a contribution towards transportation costs for the Board of Education (\$2,000,000).

This division leads the County's snow removal efforts and utilizes staff and equipment from the County's other maintenance departments. The snow removal budget has not changed since the prior year. In FY2012, the County has spent about \$121,000 (approximately 20%) of its \$578,000 sand and salt budget. The lower use is expected because of the mild winter during FY2012. Actual purchases of sand and salt for the two years prior to FY2012 averaged about \$1,022,000.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: General					
Water Resources	Various (count: 9)	\$ 3,333,452	\$ 34,037,376	\$ 5,428,924	15.9%
Fund: Highways					
Bridges	Various (count: 15)	2,960,000	21,915,000	9,470,000	43.2%
Roadways	Various (count: 4)	1,000,000	19,867,113	15,117,113	76.1%
Resurfacing Roadways 13	New	5,640,000	5,640,000	-	0.0%
Culvert Rehabilitation	H054506	300,000	3,800,000	3,500,000	92.1%
Guardrails	New	100,000	100,000	-	0.0%
Intersection Improvements	H054507	100,000	1,827,444	1,727,444	94.5%
New Roads and Storm Drains 13	New	1,275,000	1,275,000	-	0.0%
Sidewalks and Handicapped Ramps	H104512	250,000	500,000	250,000	50.0%
Stormdrain Rehabilitation	H064513	150,000	1,216,231	1,066,231	87.7%
Traffic Calming and Road Safety Improvements	H104513	350,000	550,000	200,000	36.4%
Total		\$ 15,458,452	\$ 90,728,164	\$ 36,759,712	40.5%

Capital Budget Proposal Analysis

Highways determines its capital projects based, in part, on its annual infrastructure report. That report details the conditions of the County's roads, bridges and culverts, and then prioritizes the maintenance projects that should be performed. Bridge inspections are federally mandated every two years; results of those inspections are considered in determining planned projects.

There are a couple of capital projects that are typically open-ended and are used to improve road safety and capacity throughout the County – "Intersection Improvements" and "Traffic Calming and Road Safety Improvements". Per the Administration, there are specific projects identified for each the accounts. They are primarily used for smaller projects that can easily be designed in-house and constructed within a short time frame. This should allow the County to identify a need and act quickly to meet the need by having projects designed and constructed in a short time frame. Recent projects included installation of a pedestrian crossing island on Constant Friendship Blvd, install speed humps and traffic calming measures on Garnett Road and Foster Knoll Drive, remove some very large rock outcroppings that were affecting safety along Carrs Mill Road and design several intersection capacity and safety improvements.

Projects currently being considered for Traffic Calming and Road Safety Improvements are Cedarday Drive (\$55,000) and Henderson Road (\$30,000). There are studies planned related to traffic calming. Highways noted that speed humps are approximately \$2,500 each and islands/chokers are about \$20,000, so one road that is eligible for traffic calming may cost between \$30,000 and \$50,000.

Planned Intersection Improvements included Hess Road Right Turn Lane (\$34,000), Willow Chase at Wheel Road Intersection Improvements (\$53,500) and East Medical Hall Road Intersection Improvements (\$35,000).

DPW – ENVIRONMENTAL SERVICES

Operating Budget Proposal Analysis

The Division of Environmental Services implements the County's environmental, solid waste management and recycling programs. There are currently three major environmental services facilities in operation – Harford Waste Disposal Center (HWDC or Scarboro Landfill), the Waste to Energy Plant (WTE) and a recycling transfer station. There are also several closed landfills in Harford County that require post-closure maintenance such as mowing and groundwater monitoring.

Environmental Services is funded by a subsidiary fund of the General Fund called Solid Waste Services. Although the division collects revenue from commercial waste haulers and the sale of waste byproducts (compost, mulch, ash, steam, etc.), Solid Waste Services is not a self-sustaining enterprise fund. The County attempts to capture the costs related to these operations by making the Solid Waste distinction in accounting records. The rates and fees related to solid waste were recently amended by the Council. The new rates will be effective on May 21, 2012.

The Division has a team of engineers who oversee design and construction of waste disposal facilities and related planning to address the County's long term waste disposal needs. Other Environmental Services employees operate the WeighMaster scales at HWDC and WTE, which determine the amount that haulers are charged. Employees also perform spot checks for out-of-county waste and unallowed materials. Some Environmental Services employees are responsible for equipment maintenance and litter control at the HWDC.

The WTE facility is owned by the Northeast Maryland Waste Disposal Authority. The County pays the costs for a contractor, Energy Recovery Operations, Inc., to maintain and operate the facility and has an agreement with the Federal government to sell steam from the facility to Aberdeen Proving Grounds. Hauling of waste from both MDWC and WTE are a significant cost to Environmental Services. Costs related to the WTE facility are projected \$185,830 (2.1%) higher than the prior year.

The County pays for noxious weed and gypsy moth control through Environmental Services. The cost of these services is minimal and has not changed since the FY2012 budget. After consulting with the Maryland Department of Environment, the County feels that the gypsy moth funding is appropriate for the expected moth population. Overall, the environmental services budget is largely unchanged. Increases in the WTE costs are offset by reductions from the FY2012 27th pay and changes in pension estimates.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: General - Solid Waste					
HWDC Expansion	D945610	\$ 181,013	\$ 28,070,353	\$ 20,389,340	72.6%
Solid Waste Transfer Station	D125602	3,500,000	21,700,000	3,200,000	14.7%
Total		\$ 3,681,013	\$ 49,770,353	\$ 23,589,340	47.4%

Capital Budget Proposal Analysis

The County is currently expanding the size of the Scarboro landfill to include 6 additional cells. The first of the new cells was opened in 2011.

In an effort to address the County's long term waste disposal goals, a solid waste transfer station is in development. Property for the facility has been purchased in Joppa. When completed, the facility will allow commercial haulers to bring their loads to a central indoor location. The materials will be transferred to another hauler and sent to locations outside of Harford County. Details for the waste export agreement have not yet been determined and must be developed in coordination with the Maryland Department of Environment. Potentially, this arrangement will allow closure or a significant reduction in the use of the County's other waste facilities. Based on the County Administration's current expectations, the Army will not be requesting an extension of the WTE plant operations beyond the contract end in 2016.

DPW – WATER AND SEWER

Operating Budget Proposal Analysis

The Division of Water and Sewer is an enterprise fund of the County, designed to provide cost effective water and sewer services. As an enterprise fund, Water and Sewer costs are paid from the revenues that those costs generate. Revenues are generally from connection charges for new accounts, permits fees and quarterly billings to customers for services.

Services are provided to within the Development Envelope, which is generally comprised of the southern and eastern parts of the County and the areas around Bel Air. The municipalities and Aberdeen Proving Ground are not primarily serviced by the County; however, the County does supplement the water needs in those locations. Water and Sewer rate changes were approved by the Council recently and will become effective on May 21 and July 1, 2012. The Treasurer has advised that the new rates were considered in the FY2013 revenue projections.

Similar to the other DPW divisions, Water and Sewer has a staff of engineers and planners that work to design, maintain, and manage construction of the water and wastewater treatment

facilities and delivery systems. Many of the Water and Sewer employees are plant operations staff, chemists and laboratory technicians.

Overall, the Water and Sewer budget has remained stable, declining 0.125% (net of the 27th pay adjustment). However, there have been significant adjustments in several categories, as follows:

<u>Amount</u>	<u>Description</u>	<u>Discussion</u>
\$ (300,000)	Annual Capital Service	This item has been moved the capital budget.
60,650	Various Supplies and Chemicals	Management has advised that maintenance costs and supplies expenses continue to rise.
436,140	Equipment and Parts	Included in the maintenance adjustments are costs to implement CitiWorks on a webserver.
97,400	Maintenance	The standard package is \$20,000, but it requires an additional \$30,000 in customizations to meet the County's needs.
(200,000)	Depreciation	This decrease was recommended by Treasury.
(154,000)	Payments to other governments	This is due, in part, to a reduction in the amount of payments projected to Havre de Grace's city water plant.
505,720	Payments to other County Funds	A significant amount of this is reimbursements to the General Fund. W&S pays for the cost of water and sewer accounting and billing, which takes place within the Treasurer's Office.
108,744	Electricity	This is based on the expansion of the Abingdon Water Treatment Plant.
(606,760)	Salary, Benefits, Training and Pension adjustments	These items are primarily related to expected staff turnover and pension adjustments.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: Water and Sewer					
Water Projects					
Abingdon WTP Expansion	W066671	\$ 350,000	\$ 76,885,000	\$ 76,535,000	99.5%
Renewal and Replacement of Water Infrastructure	W126723	100,000	700,000	100,000	14.3%
Water and Sewer Rate Study	New	300,000	300,000	-	0.0%
Water Meter Upgrade	New	540,000	1,620,000	-	0.0%
Water Quality Improvements	W126722	300,000	600,000	300,000	50.0%
Sewer Projects	Various (count: 9)	6,340,684	\$ 25,377,784	\$ 6,737,100	26.5%
Total		\$ 7,930,684	\$ 105,482,784	\$ 83,672,100	79.3%

Capital Budget Proposal Analysis

When water and sewer rates were approved in early 2012, the approval was granted with the understanding that the County needed to undertake a comprehensive study to ensure that the fees were appropriate. Ideally the fees charged to customers are determined so that they meet, but don't exceed, Water and Sewer's short and long term cost of operations and debt obligations. The capital budget includes a request for \$300,000 to perform that study.

A (relatively) small amount has been requested for the Abingdon water treatment facility expansion, which is substantially complete. Other projects in the current year request are intended to replace infrastructure such as meters and to ensure compliance with Federal Regulations.

Additional Information

Data Sources: Office of Budget and Management Research, Robert Cooper (Director, Public Works), Scott Kearby (Deputy Director, Construction Management), Hudson Meyers (Deputy Director, Highways), Tom Hilton (Deputy Director, Environmental Services), Joel Caudill (Deputy Director, Water and Sewer)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 24, 2012

COUNTY COUNCIL

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
County Council Office	\$ 1,198,474	\$ 1,248,575	\$ 1,362,239	\$ 113,664	9.1%
County Auditor	0	254,619	244,802	(9,817)	-3.9%
Board of Appeals and Rezoning	130,570	178,086	80,710	(97,376)	-54.7%
Council Attorney/People's Counsel	4,990	64,510	297,474	232,964	361.1%
Harford Cable Network	660,685	685,118	676,529	(8,589)	-1.3%
Cultural Arts Board	94,074	106,445	101,989	(4,456)	-4.2%
		FY12 27th Pay Adjust.	(56,385)		
Total	\$ 2,088,793	\$ 2,480,968	\$ 2,763,743	\$ 282,775	11.4%
Personnel	22	24	22	(2.00)	-8.3%

Budget Proposal Analysis

The County Council is the Legislative branch of the Harford County Government. The Council is supported by the Council Administrator who is responsible for ensuring that the Council Office functions efficiently and effectively and that the Council's activities are correctly advertised and documented. The County Council office also has administrative oversight over the Office of the County Auditor, Board of Appeals and Rezoning, Council Attorney, Harford Cable Network and the Cultural Arts Board.

There are seven elected County Council members; the FY2013 budget proposes legislative aides for each Council Member. The Office has undergone a restructuring resulting in numerous transfers, abolishments and creations of positions. The net effect of these changes is a reduction of two full time positions and the addition of 7 temporary employees.

Personnel changes account for the majority of the changes in the Council's proposed budget – an increase of \$158,287. Health benefit changes are an additional \$179,324. Other changes are related to budget transfers between Council departments.

Harford Cable Network has requested an additional position that is intended for internal promotion with the expectation that the vacated position will not be back filled. Creating the position now will enable a person to train in the new role and allow others availability for vacations and/or retirement.

Cultural Arts Board's budget has only been adjusted to accommodate the FY2012 27th pay and pension adjustments.

Additional Information

Data Sources: Office of Budget and Management Research, Pamela Meister (Council Administrator)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 25, 2012

JUDICIAL

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Circuit Court	\$ 1,363,921	\$ 1,425,873	\$ 1,350,760	\$ (75,113)	-5.3%
Jury Services	188,190	184,100	184,350	250	0.1%
Grand Jury	11,980	11,500	12,000	500	4.3%
Jury Commissioner	166,932	183,555	178,759	(4,796)	-2.6%
Masters	217,026	217,885	208,611	(9,274)	-4.3%
Community Work Service	332,197	363,668	326,028	(37,640)	-10.4%
Family Court Services	568,888	583,264	559,696	(23,568)	-4.0%
FY12 27th Pay Adjust.		(76,463)			
Total	\$ 2,849,134	\$ 2,893,382	\$ 2,820,204	\$ (73,178)	-2.5%
Personnel	29	29	29	-	0.0%

Budget Proposal Analysis

The structure and responsibilities of the Circuit Court of Maryland for Harford County is mandated by the State Constitution. The State of Maryland pays for the judges, 5 law clerks and the Clerk of the Court's staff; Harford County pays for all other costs related to the Circuit Court. Those costs include administrative employee salaries, jury fees, contract evaluators and mediators, as examples. The County receives reimbursement for a portion of the jury fees from the State. The Court's budget includes a \$30,000 grant to the Court Appointed Special Advocate.

The Circuit Court budget has declined slightly. The changes are primarily related to health and pension benefit projections. The summary below demonstrates how Harford County's Circuit Court costs compare to some other Maryland jurisdictions.

	FY2012 Budget	Citizens -2010	Judges	Per Citizen
Harford County	\$ 2,893,382	244,826	5	\$ 11.82
Howard County	\$ 2,997,996	287,085	5	\$ 10.44
Washington County	\$ 1,295,680	147,430	4	\$ 8.79
Baltimore County	\$ 6,664,120	805,029	18	\$ 8.28
Carroll County	\$ 1,569,719	167,134	3	\$ 9.39
Frederick County	\$ 1,605,793	233,385	4	\$ 6.88

Additional Information

Data Sources: Office of Budget and Management Research, William Carr (Administrative Judge)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 25, 2012

STATE'S ATTORNEY

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Office of the State's Attorney	\$ 5,148,888	\$ 5,464,808	\$ 5,206,824	\$ (257,984)	-4.7%
Family Justice Center	269,088	273,063	257,892	(15,171)	-5.6%
FY12 27th Pay Adjust.		(162,473)			
Total	\$ 5,417,976	\$ 5,575,398	\$ 5,464,716	\$ (110,682)	-2.0%
Personnel	56	57	57	-	0.0%

Budget Proposal Analysis

The State's Attorney represents the State of Maryland in all criminal actions. By law, the State's Attorney is a state employee that is elected by the County's residents. The County pays all of the costs related to the Office. The budget has declined slightly; changes are primarily related to health and pension benefit projections. However, there was a significant increase in salaries, which have been adjusted \$78,121. Several positions have been upgraded or filled at a downgraded level. The department's budget also includes \$447,285 in grant matches for the Child Support Division and Domestic Violence Legal Assistant.

While the Office's staffing level has remained constant, the State's Attorney has indicated that his staff is spread among 4 office spaces. This arrangement requires a significant investment of administrative and logistical support for attorneys (and their files) travelling between offices and to the courthouse. The summary below demonstrates how Harford County's State's Attorney's Office compares to some other Maryland jurisdictions.

	FY2012 Budget	Citizens -2010	Employees	Per Citizen
Harford County	\$ 5,575,398	244,826	57	\$ 22.77
Howard County	\$ 6,971,656	287,085	71.6	\$ 24.28
Washington County	\$ 2,499,220	147,430	35	\$ 16.95
Baltimore County	\$ 8,939,887	805,029	122	\$ 11.11
Carroll County	\$ 3,002,791	167,134	42.5	\$ 17.97
Frederick County	\$ 7,196,651	233,385	13.7	\$ 30.84

Recommended Actions

- As the County undertakes it's Facilities Master Plan Study, it should consider the feasibility of housing the State's Attorney's Office entirely in the Courthouse or one nearby office.

Additional Information

Data Sources: Office of Budget and Management Research, Joseph Cassilly (State's Attorney)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 25, 2012

BOARD OF ELECTIONS

Operating Budget Data

Fund: General Fund	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Board of Elections	\$ 893,970	\$ 1,236,695	\$ 1,307,872	\$ 71,177	5.8%
Election Expense	812,292	452,430	634,300	181,870	40.2%
	FY12 27th Pay Adjust.	(7,045)			
Total	\$ 1,706,262	\$ 1,682,080	\$ 1,942,172	\$ 260,092	15.5%

Budget Proposal Analysis

The Board of Elections is responsible for maintaining Harford County's voter registration database and conducting federal, state, local and municipal elections. The Board of Elections also performs activities to ensure that election results are valid and accurate. The department's budget is comprised of general Board of Elections expenses such as personnel, office supplies, equipment and election related systems.

The budget also includes a separate line item for Election Expense. This category is used to account for fluctuating expenses that are related to the number of elections in a year. While Harford County is responsible for operating the Board of Elections, the employees are State of Maryland employees. There are approximately 10 full time positions in the office; during elections cycles the office may grow to 25-30 employees. Significant changes in the proposed budget are related to the November 2012 elections and mandated implementation of the statewide voting system.

Additional Information

Data Sources: Office of Budget and Management Research, Dale Livingston (Acting Director, Board of Elections)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 25, 2012

BOARD OF EDUCATION

Operating Budget Data

<u>Complete Budget</u>	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Board of Education	\$ 447,029	\$ 595,143	\$ 616,646	\$ 21,503	3.6%
Executive Administration	1,932,613	1,946,030	1,995,332	49,302	2.5%
Education Services	184,276,862	182,493,029	191,957,392	9,464,363	5.2%
Special Education	29,541,189	40,598,873	42,743,955	2,145,082	5.3%
Extra-Curricular Activities	3,493,516	3,620,397	3,713,428	93,031	2.6%
Safety and Security	1,146,291	1,084,709	1,096,479	11,770	1.1%
Student Services	14,249,498	14,586,026	15,340,385	754,359	5.2%
Curriculum and Instruction	4,587,901	4,815,872	5,108,237	292,365	6.1%
Operations and Maintenance	65,543,076	67,660,257	69,556,769	1,896,512	2.8%
Business Services	26,563,022	28,073,480	29,578,201	1,504,721	5.4%
Human Resources	58,588,341	73,893,776	73,007,810	(885,966)	-1.2%
Total	\$ 390,369,338	\$ 419,367,592	\$ 434,714,634	\$ 15,347,042	3.7%
Personnel		4,965.4	4,977.0	11.60	0.2%
<u>Budget Request</u>	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
County Executive's Request	\$ 211,067,388	\$ 214,291,627	\$ 214,291,627	\$ -	0.0%
Board Request to County Exec.			238,283,466	\$ 23,991,839	11.2%

Operating Budget Proposal Analysis

The Harford County Board of Education was established by state law to maintain a system of public schools in Harford County. The Board selects a Superintendent who is responsible for administration of the school system. There are 54 schools in the system; the schools educate over 38,000 students annually.

The Board of Education approved a budget request for FY2013 that is significantly higher than the prior year. The majority of the change (about \$15.5 million) is salary increases for employees. The pay increases have been negotiated with the employee unions, subject to funding from the County. An additional \$3.9 million is related to reductions in state funding and the remaining increase is related general costs of operations. The funding level requested by the County Executive is equal to the prior year and exceeds the required maintenance of effort level. Board of Education funding represents more than one third of the County's operating budget.

Although the County Executive's proposal is lower than the Board's request, the Board's request has not been adjusted. The Public School Labor Relations Board has filed suit against the Board of Education, alleging improper negotiation practices. The courts have determined that the school system should not have adjusted its budget while negotiating the unions' contracts. While the decision is being appealed, the Board of Education will not propose budget changes unless a funding change is mandated in the form of an approved County budget.

Harford County provides about half of the schools system's funding. Other funding comes from the State and Federal governments, grants and user fees for facility and school program. In the event that the State does not complete its budget reconciliation, expected State funding will decrease per-student funding by \$111. The change would reduce the schools' projected State revenue by \$3.8 million. There would also be decreases in Teacher Development Incentives.

The Board of Education proposed budget includes a summary of grants expected in FY2013; however, that list includes only grants received in prior years and does not include any new grants for FY2013. This is primarily because, although the school system has applied for new grants, the grant application process cannot be completed before the proposed budget needs to be approved. While most grants are extremely restrictive in their uses, the Board of Education should have a plan in place to pre-determine how less restrictive grants will be used.

Recommended Actions

- The Board of Education should ensure that it has a contingency plan in place to address revenues that are higher or lower than projected.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: General					
ADA Improvements	B064143	\$ 50,000	\$ 1,000,000	\$ 450,000	45.0%
Athletic Field Repair and Restoration	B034113	70,000	697,000	277,000	39.7%
Backflow Prevention	B054111	50,000	1,100,000	550,000	50.0%
Band Uniform Refresh Program	BB13008	10,000	370,340	60,340	16.3%
Building Envelope Improvements	BB13009	100,000	1,500,000	400,000	26.7%
C. Milton Wright High School Field Facilities	BB13010	25,000	25,000	-	0.0%
Career and Technology Education Equipment Refresh	B064130	50,000	1,050,000	500,000	47.6%
Environmental Compliance	B974118	100,000	1,997,619	1,397,619	70.0%
Fire Alarm and ER Communications	B004112	100,000	1,725,000	875,000	50.7%
Magnolia Middle School Comprehensive HVAC	BB13025	4,900,000	9,800,000	-	0.0%
Music Equipment Refresh	B054112	50,000	825,000	525,000	63.6%
North Harford ES Comprehensive HVAC	BB13026	2,277,000	4,554,000	-	0.0%
Playground Equipment	B074124	150,000	3,085,000	1,185,000	38.4%
Relocatable Classrooms	B094120	400,000	4,346,120	3,146,120	72.4%
Replacement Buses	B024118	318,000	19,419,197	9,811,197	50.5%
Roof Replacements	BB13027	1,386,000	7,499,202	-	0.0%
Security Cameras	B054113	150,000	3,105,000	1,585,000	51.0%
Septic Facility Code Upgrade	BB13011	500,000	4,925,413	4,425,413	89.8%
Special Education Facilities Improvements	BB13012	100,000	700,000	100,000	14.3%
Stormwater Management, Erosion, Sediment Control	B064128	400,000	1,325,000	375,000	28.3%
Technology Education Lab Refresh	B994124	150,000	2,625,000	1,225,000	46.7%
Technology Infrastructure	B044118	3,498,487	79,724,494	19,061,207	23.9%
Textbooks/Supplemental Materials Refresh	B064129	1,271,644	8,071,644	5,300,000	65.7%
Total		\$16,106,131	\$ 159,470,029	\$ 51,248,896	32.1%

Capital Budget Proposal Analysis

There are 23 active projects in the capital budget for FY2013. Many projects are generic (i.e. ADA Improvements, Security Cameras) and address needs that exist in multiple locations. These projects have been planned to address 1 or 2 schools each year. Some of the largest projects are for major building system enhancements such as HVAC or roofing. The Technology Infrastructure project funds school based equipment needs, but also helps contribute to the County's HMAN project.

The capital budget also includes the Red Pump school project in the active projects with a \$0 appropriation. While the project has been completed, the school system is awaiting state reimbursement for a portion of the project costs.

In addition to the above projects, the County also issues debt on behalf of the school system. Debt Service for school bonds is projected to be \$30,355,614.

Additional Information

Data Sources: Office of Budget and Management Research, Ed Fields (Director of Budget, HCPS)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 27, 2012

HARFORD COMMUNITY COLLEGE

Operating Budget Data

<u>Complete Budget</u>	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Instruction	\$ 16,589,926	\$ 17,946,881	\$ 18,610,862	\$ 663,981	3.7%
Academic Support	5,705,107	6,345,815	6,475,674	129,859	2.0%
Student Services	4,454,093	4,831,104	4,990,579	159,475	3.3%
Institutional Support	7,253,061	8,133,386	8,508,747	375,361	4.6%
Operations and Maintenance	4,142,589	4,699,489	4,693,447	(6,042)	-0.1%
Waivers/ Work Study	996,375	1,036,500	1,008,931	(27,569)	-2.7%
Non-mandatory Transfers	3,158,421	3,311,825	2,248,415	(1,063,410)	-32.1%
Total	\$ 42,299,572	\$ 46,305,000	\$ 46,536,655	\$ 231,655	0.5%

<u>Budget Request</u>	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
County Executive's Request	\$ 14,512,764	\$ 14,961,612	\$ 14,961,612	\$ -	0.0%
Board Request to County Exec.			14,961,612	\$ -	0.0%

Operating Budget Proposal Analysis

Harford Community College provides transfer, career and developmental education programs and continuing education courses, per state statute. The proposed operating budget supports almost 10,000 credit students and 15,000 non-credit students.

The Board of Trustees approved a budget request for FY2013 that is substantially unchanged from the prior year. The funding level requested by the County Executive is equal to the prior year and what was requested by the College.

Harford County provides about one third of the College's funding. Other funding comes from the State government and student tuition and fees. In the event that the State does not complete its budget reconciliation, expected State funding will decrease by 10%. The change would reduce the College's projected State revenue by nearly \$1 million.

Recommended Actions

- The College should ensure that it has a contingency plan in place to address revenues that are higher or lower than projected.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: General					
Computer Equipment/ Technology	CC13004	\$ 283,750	\$ 480,750	\$ 197,000	41.0%
Library Infrastructure	CC13006	98,000	98,000	-	0.0%
New Nursing and Allied Health Building	C124113	7,050,975	17,271,506	1,089,532	6.3%
Plant Service Annex	CC13001	600,000	600,000	-	0.0%
Roof Replacements	C094115	375,000	2,934,913	2,559,913	87.2%
Site and Parking Lot Improvements	C034111	357,000	5,262,425	4,905,425	93.2%
Sports Complex Entrance and Grounds	CC13002	231,000	231,000	-	0.0%
Susquehanna Center Addition/Renovations	C084108	1,455,960	33,206,809	31,750,849	95.6%
Water & Wastewater	C114109	1,412,780	4,269,938	2,857,158	66.9%
Total		\$11,864,465	\$ 64,355,341	\$ 43,359,877	67.4%

Capital Budget Proposal Analysis

There are 9 active projects in the capital budget for FY2013. All of the projects fall in one of the following categories: Campus Infrastructure Improvements, Technology Investment, Recreation/Wellness Facilities, West Campus Expansion, Building Additions and Renovations. Only two of the above projects will require County funds – the Nursing Building and the Water and Wastewater improvements. The Nursing Building will be funded over two years and is expected to increase the capacity of the popular nursing program. If the project is not funded in FY2013, the college will lose the project's state funding.

In addition to the above projects, the County issues and services debt on behalf of the College. Debt Service for College bonds is projected to be \$2,763,362 in FY2013.

Additional Information

Data Sources: Office of Budget and Management Research, John Cox (Vice President, Finance Operations and Government Relations, HCC)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 28, 2012

MARYLAND SCHOOL FOR THE BLIND

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General	\$ 66,340	\$ 71,250	\$ 71,250	\$ -	0.0%

Budget Proposal Analysis

The Maryland School for the Blind (MSB) educates children from across the state, providing a residential campus for the students during the week. MSB students who reside on campus are often multiply disabled. For students with a singular disability, MSB provides support to children while allowing them to attend school in their local school districts. The Annotated Code of Maryland requires each county to pay, for each child from the county, an amount equal to the local share of the basic cost of educating a student in the county.

MSB invoices the County twice a year. Based on the amount paid to MSB in FY2012 and the prior year audited amount, the FY2013 budget appears reasonable.

Additional Information

Data Sources: Office of Budget and Management Research
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 25, 2012

HARFORD COUNTY PUBLIC LIBRARY

Operating Budget Data

<u>Complete Budget</u>	FY2012 Budget	FY2013 Budget - November	FY2013 Budget - April	Change	Percent Change
Personnel Services	\$ 13,221,994	\$ 13,485,646	\$ 13,251,729	\$ 29,735	0.2%
Contracted Services	1,542,185	1,573,552	1,509,140	(33,045)	-2.1%
Supplies - General	353,025	337,501	315,000	(38,025)	-10.8%
Books & AV Materials	2,435,984	2,511,334	2,439,573	3,589	0.1%
Business and Travel	153,000	173,500	152,500	(500)	-0.3%
Capital Outlay	119,000	169,000	119,000	-	0.0%
Unanticipated Needs	19,609	19,609	19,609	-	0.0%
Total	\$17,844,797	\$ 18,270,142	\$ 17,806,551	\$ (463,591)	-2.5%

<u>Budget Request</u>	FY2012 Budget	FY2013 Budget - November	FY2013 Budget - April	Change	Percent Change
County Executive's Request	\$ 15,512,147		\$ 15,534,624	\$ 22,477	0.1%
Board Request to County Exec.		15,933,633	15,534,624	\$ 22,477	0.1%

Operating Budget Proposal Analysis

The Harford County Public Library System's mission is to provide efficient and convenient service to the residents of Harford County. The Board of Library Trustees operates under state law and appoints a Director who manages the operations of the library system and its 11 branches.

In November 2011, the Board of Library Trustees approved a budget request for FY2013 that is slightly higher than the prior year. The funding level requested by the County Executive is higher than the prior year, but less than what was requested by the Library. Since the County Executive's budget proposal (March 30, 2012), the Board of Library Trustees have approved a modified budget that accommodates the County's lower funding level. To reconcile the December proposed budget to the County Executive's proposal, the Library adjusted its projected spending in the following categories:

- Contracted Services – decrease Security Services
- Supplies – decreases in Printing, Computer Supplies and Office Supplies
- Books & AV – decreases in various book categories and DVDs with increases in downloadable media
- Business & Travel – various reductions including elimination of tuition reimbursement

Harford County provides about 85% of the Library's funding. Other funding comes from the State government, contributions and user fees. The budget already includes an expected reduction in

State funding, but if the State does not complete its budget reconciliation, State funding will decrease by an additional 10%. The change would reduce the library's projected State revenue by about \$150,000.

Recommended Actions

- The Library should ensure that it has a contingency plan in place to address revenues that are higher or lower than projected.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: General					
Facility Maintenance and Repairs	L054108	\$ 5,210	\$ 752,647	\$ 247,437	32.9%
Technology	L124118	200,000	2,076,900	109,100	5.3%
Total		\$ 205,210	\$ 2,829,547	\$ 356,537	12.6%

Capital Budget Proposal Analysis

There are 2 active projects in the capital budget for FY2013. The Technology project is intended to update network infrastructure in library facilities and increase the availability of self-checkout services. The Library Director notes that this project did not receive any funding in FY2010 or FY2011.

Additional Information

Data Sources: Office of Budget and Management Research, Mary Hastler (Director, Harford County Public Library)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 26, 2012

PARKS AND RECREATION

Operating Budget Data						
	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change	
Fund: General						
Administration	\$ 810,405	\$ 767,883	\$ 723,933	\$ (43,950)	-5.7%	
Recreational Services	2,712,926	2,669,653	2,768,182	98,529	3.7%	
Parks and Facilities	5,725,611	6,056,496	6,166,229	109,733	1.8%	
Fund: Parks and Recreation						
Emmorton Rec. & Tennis Center	276,348	301,073	325,778	24,705	8.2%	
Poakington Peninsula	224,111	364,560	372,763	8,203	2.3%	
Rec. Council Activities	175,680	185,103	190,926	5,823	3.1%	
	FY12 27th Pay Adjust.	(242,051)				
Total	\$ 9,925,081	\$10,102,717	\$10,547,811	\$ 445,094	4.4%	
Personnel	104	104.5	106.5	2.00	1.9%	

Operating Budget Proposal Analysis

The Department of Parks and Recreation (P&R) is responsible for operating and maintaining park facilities, preserving open space and offering leisure opportunities for citizens. Facilities maintenance and capital planning are managed within the department, separately from the County's other related departments. The department's budget has increased to absorb one position from the County Council and to provide one staff member at the Forest Hill/Hickory Activity Center.

While the County owns and maintains the parks and recreation facilities, programming like youth sports and dance classes are managed by 21 local recreation councils. The recreation councils are separate entities from the County and one another; they are allowed to determine which programs they will coordinate and the costs of those activities. Since they address a key function of P&R, the County provides small grants to the recreation councils and they are allowed to use County facilities for no charge. When these groups use school facilities, the County reimburses the school system for janitorial salaries. Proposed Grants to the 21 recreation councils total \$26,400.

The department will also provide \$70,438 to the John Archer School to support recreational activities. \$44,038 of that amount is the County's match for state and federal grant programs.

The Department of Parks and Recreation generates revenue from the use of its facilities on the Oakington Peninsula and at the Emmorton Recreation and Tennis Center. Revenues for service charges are projected to be \$850,500. These revenues are used to pay the operating costs of the revenue generating facilities and to support recreation council activities and other special

activities like the County's ropes course. The facilities repair budget for the Emmorton center has increased by \$43,550 to provide for various renovations.

Recommended Actions

- The Administration should consider whether efficiencies may be gained from combining the resources of the various facilities maintenance groups.
- In the FY2013 Audit Plan, the County Auditor should consider performing an Analysis of Efficiencies and Best Practices for departments with similar roles.

Capital Budget Data

Description	Project Number	FY2013 Budget	Total Cost	Prior Appropriations	Percent Complete
Fund: Parks and Recreation					
Athletic Field Improvements	P084117	\$ 1,400,000	\$ 13,300,000	\$ 6,550,000	49.2%
Backstop Renovations	P124119	45,000	145,000	50,000	34.5%
Belcamp Park Improvements	P104109	75,000	325,000	250,000	76.9%
Bleacher Renovations	P094123	60,000	630,000	270,000	42.9%
Broad Creek Boat Launch Ramp	P104110	165,000	649,000	484,000	74.6%
Cedar Lane Sports Complex Improvements	P104111	750,000	3,275,000	1,000,000	30.5%
Churchville Complex Development	P054115	3,000,000	8,956,830	5,556,830	62.0%
Darlington Park Development	P094124	600,000	1,575,000	975,000	61.9%
David Craig Park Development	New	75,000	925,000	-	0.0%
Eden Mill Park Rehabilitation	P104113	75,000	800,000	600,000	75.0%
Edgewood Recreation and Comm. Center	New	100,000	250,000	-	0.0%
Emily Bayliss Graham Park	P124120	250,000	2,000,000	200,000	10.0%
Facility Renovations	P104114	25,000	805,000	215,000	26.7%
Gunpowder River Dredging	P124121	262,000	2,367,000	250,000	10.6%
Jarrettsville Complex Restrooms	P124122	300,000	350,000	50,000	14.3%
Joppatowne Area Dredging	P124123	25,000	990,000	940,000	94.9%
Natural Turf Improvements	P104115	200,000	1,450,000	500,000	34.5%
Nuttal Avenue Park Development	P094128	50,000	500,000	450,000	90.0%
Oakington Farms- Tydings Park	P124123	250,000	1,400,000	1,150,000	82.1%
Park Improvements	P104116	55,000	670,000	285,000	42.5%
Park Land Acquisition	P104117	1,115,000	4,951,000	1,261,000	25.5%
Parking Lot Paving	P124124	30,000	194,000	39,000	20.1%
Playground Equipment	P104118	150,000	1,860,000	675,000	36.3%
Tennis/Multipurpose Courts	P114123	100,000	790,000	190,000	24.1%
Total		\$ 9,157,000	\$ 49,157,830	\$ 21,940,830	44.6%

Capital Budget Proposal Analysis

There are 24 funded P&R projects in the proposed capital budget for FY2013. The projects address a wide variety of improvements and renovations to park spaces and facilities. The projects selected are intended to support the 2005 Land Preservation, Parks and Recreation Plan and its recommendations. Within general projects, such as Backstop Renovations, the department has surveyed the related facilities and prioritized projects based on the survey results.

Additional Information

Data Sources: Office of Budget and Management Research, Arden McClune (Director, Parks and Recreation)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: April 25, 2012

CONSERVATION OF NATURAL RESOURCES

Operating Budget Data

Fund: General	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Extension Services	\$ 147,898	\$ 245,256	\$ 245,256	\$ -	0.0%
Soil Conservation	322,555	355,325	367,212	11,887	3.3%
	FY12 27th Pay Adjust.	(10,303)			
Total	\$ 470,453	\$ 590,278	\$ 612,468	\$ 22,190	3.8%
Personnel	4	4	4	-	0.0%

Budget Proposal Analysis

The agencies within Conservation of Natural Resources are Extension Services and Soil Conservation. Both departments are partnerships with state agencies, so neither is funded entirely by Harford County.

Soil Conservation provides services to developers and land owners to ensure that construction projects have made adequate provisions for erosion control. In rural areas, the office helps property owners design and develop related systems. The office also provides inspection of

erosion control systems in accordance with State and Federal guidelines. Four of the office's ten employees are paid by the County. Changes in the Soil Conservation budget are related to fully funding a vacant position.

Extension Services is a cooperative program operated by the University of Maryland. It provides education and information on horticulture, agriculture and nutrient management. The office is also responsible for supervision of the 4-H youth programs in Harford County. All Extension employees are state employees. The County reimburses the State of a portion of the personnel costs.

Additional Information

Data Sources: Office of Budget and Management Research, Bill Tharpe (Soil Conservation)
 Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
 Inquiries may be directed to (410)638-3161.
 Version: April 25, 2012

ECONOMIC DEVELOPMENT

Operating Budget Data

	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change
Fund: General					
Economic Development	\$ 1,974,345	\$ 2,047,613	\$ 2,299,187	\$ 251,574	12.3%
Tourism & Marketing	197,013	194,087	185,517	(8,570)	-4.4%
	FY12 27th Pay Adjust.	(44,553)			
Total	\$ 2,171,358	\$ 2,197,147	\$ 2,484,704	\$ 287,557	13.1%
Personnel	11.6	15.6	17	1.40	9.0%

Budget Proposal Analysis

The Office of Economic Development was created to advance the economic welfare of the citizens of Harford County. The Office and its Advisory Board work towards that goal by marketing the area to new businesses and providing financial resources to local businesses. Changes in the Economic Development budget are related to personnel changes and changes in planned program activities.

Related to Personnel, the Office has transferred an employee and converted another from part-time to full-time. While this results in a net gain of only 1.4 positions, the Office also expects a

reduction in grants which, in prior years, partially offset three other employees' salaries. The result is about 3 additional positions being funded by the Office; these changes total \$208,544 (83%) of the increase.

The activities that promote the purpose of the office such as providing grants and involvement in community initiatives, councils and associations, have been increased by \$56,000.

In FY2012, the Office supported a bill to change the parameters of its Economic Development Loan Fund (Bill 12-19). At that time, the Office had not developed a projection of how many loans it would issue through the program.

Recommended Actions

- The Office of Economic Development should consider developing models that will help quantify its planned initiatives, actual efforts and, if possible, results of those efforts.

Additional Information

Data Sources: Office of Budget and Management Research, Jim Richardson (Director, Economic Development)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: – April 25, 2012

INSURANCE

Operating Budget Data

	FY2012 Budget	FY2013 Budget
General Liability Insurance		
Fund: General	\$ -	\$ 245,607
Fund: Highways	0	4,991
Fund: Water and Sewer	0	1,131
Subtotal	\$ -	\$ 251,729
Auto Liability Insurance		
Fund: General	0	329,337
Fund: Highways	0	284,047
Fund: Water and Sewer	0	61,829
Subtotal	\$ -	\$ 675,213
Property Damage Insurance		
Fund: General	0	488,457
Fund: Highways	0	100,966
Fund: Water and Sewer	0	189,868
Subtotal	\$ -	\$ 779,291
Total	\$ -	\$ 1,706,233

Budget Proposal Analysis

The County maintains a self-insurance fund for paying general and automobile liability claims and property damage losses. Based on an actuarial analysis the County transfers (as an insurance premium) the amount of the actuarial estimate to the Self-Insurance Fund from the General, Highways and Water & Sewer funds. The amount budgeted does not include the Sheriff's Office or the Libraries as those amounts are included in the departmental budgets.

No appropriations were made for FY2012 for Liability Insurance. In the past few years, the Funds were not charged this premium and the self-insurance fund balance has been allowed to decline because there were sufficient funds.

Additional Information

Data Sources: Kim Spence (Chief, Office of Budget and Management Research)

Fiscal Analysis was prepared by Chrystal Moore, County Auditor.

Inquiries may be directed to (410)638-3161.

Version: May 1, 2012

BENEFITS

Operating Budget Data						
	FY2011 Actual	FY2012 Budget	FY2013 Budget	Change	Percent Change	
Firemen's Pension						
Fund: General	\$ 1,670,207	\$ 2,026,627	\$ 1,970,503	\$ (56,124)	-2.8%	
Liquor Board Employees						
Fund: General	5,786	6,500	6,500	-	0.0%	
Worker's Compensation						
Fund: General	0	489,497	0	(489,497)	-100.0%	
Fund: Highways	250,000	203,957	0	(203,957)	-100.0%	
Fund: Water and Sewer	20,000	122,374	0	(122,374)	-100.0%	
Subtotal	\$ 270,000	\$ 815,828	\$ -	\$ (815,828)	-100.0%	
Other Post Employment Benefits*	* None was budgeted for FY2011 or 2012. These are the amounts later appropriated.					
Fund: General	6,451,300	5,411,974	0	(5,411,974)	-100.0%	
Fund: Highways	991,600	849,786	0	(849,786)	-100.0%	
Fund: Water and Sewer	910,700	743,318	0	(743,318)	-100.0%	
Fund: Ag. Preservation	0	4,101	0	(4,101)	-100.0%	
Fund: Parks and Rec.	0	15,982	0	(15,982)	-100.0%	
Subtotal	\$ 8,353,600	\$ 7,025,161	\$ -	\$ (7,025,161)	-100.0%	
Other Health Insurance						
Subtotal	\$ (814,226)	\$ -	\$ -	\$ -	0.0%	
Unemployment Insurance						
Fund: General	59,359	48,960	48,960	-	0.0%	
Fund: Highways	7,863	20,000	20,000	-	0.0%	
Fund: Water and Sewer	3,870	9,000	9,000	-	0.0%	
Subtotal	\$ 71,092	\$ 77,960	\$ 77,960	\$ -	0.0%	
Death Benefits						
Fund: General	18,689	15,000	15,000	-	0.0%	
Fund: Highways	0	2,000	2,000	-	0.0%	
Fund: Water and Sewer	0	2,000	2,000	-	0.0%	
Subtotal	\$ 18,689	\$ 19,000	\$ 19,000	\$ -	0.0%	
Retiree's Insurance						
Fund: General	2,028,361	3,674,366	2,677,762	(996,604)	-27.1%	
Fund: Highways	904,184	1,401,696	1,021,512	(380,184)	-27.1%	
Fund: Water and Sewer	322,454	575,938	419,726	(156,212)	-27.1%	
Subtotal	\$ 3,254,999	\$ 5,652,000	\$ 4,119,000	\$ (1,533,000)	-27.1%	
Total	\$ 12,830,147	\$ 15,623,076	\$ 6,192,963	\$ (9,430,113)	-60.4%	

Budget Proposal Analysis

Some employee benefits are not included in the departments operating budgets. These are costs are not related to active County employees, so separating the costs from the departmental budgets appears reasonable. The budget includes:

- Pensions for volunteer firefighters and Liquor Board employees
- Unfunded portions of the County's pension obligations (OPEB)
- Worker's Compensation for claims that exceed the County's premiums
- Unemployment Insurance costs for employees who have left County service
- Death Benefits for beneficiaries of employees who die while employed by the County
- Health and Life Insurance for Retirees

Additionally, if the Health Care Consortium issues a return of health insurance premiums, that amount would be included in the "Other Health Insurance" category.

Additional Information

Data Sources: Office of Budget and Management Research
Fiscal Analysis was prepared by Chrystal Moore, County Auditor.
Inquiries may be directed to (410)638-3161.
Version: – April 25, 2012
